

**ASHLAND-GRANT FIRE DISTRICT**

**NEWAYGO COUNTY, MICHIGAN**

**AUDIT REPORT**

**MARCH 31, 2007**

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Ashland-Grant Fire District	County Newaygo
Fiscal Year End March 31, 2007	Opinion Date June 21, 2007	Date Audit Report Submitted to State July 16, 2007	

We affirm that:

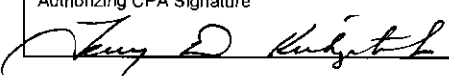
We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- | YES                                 | NO                       | Check each applicable box below. (See instructions for further detail.)   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. The local unit has adopted a budget for all required funds.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. A public hearing on the budget was held in accordance with State statute.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. The local unit only holds deposits/investments that comply with statutory requirements.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the <i>Bulletin for Audits of Local Units of Government in Michigan</i> , as revised (see Appendix H of Bulletin).   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. The local unit is free of repeated comments from previous years.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 12. The audit opinion is UNQUALIFIED.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 13. The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 14. The board or council approves all invoices prior to payment as required by charter or statute.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 15. To our knowledge, bank reconciliations that were reviewed were performed timely.  |

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Terry Kirkpatrick, CPA, P.C.		Telephone Number 231-796-3332	
Street Address 211 Maple Street		City Big Rapids	State MI
		Zip 49307	
Authorizing CPA Signature 		Printed Name Terry D. Kirkpatrick	License Number 18035

## CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	I
Basic Financial Statements	
Government-wide Financial Statements	2
Statement of Net Assets	3
Statement of Activities	
Governmental Fund Financial Statements	
Balance Sheet	4
Statement of Revenues, Expenditures and Changes in Fund Balance	5
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	6
Notes to Financial Statements	7-10
Required Supplemental Information	
Budgetary Comparison Schedule – General Fund	11
Budgetary Comparison Schedule – Fire Equipment Fund	12

\*\*\*\*\*

**TERRY KIRKPATRICK, CPA, P.C.**  
CERTIFIED PUBLIC ACCOUNTANT

211 MAPLE STREET  
P O BOX 817  
BIG RAPIDS, MICHIGAN 49307-0817  
(231) 796-3332  
FAX (231) 796-5554

## **Independent Auditor's Report**

Members of the Joint Administrative Fire Board  
Ashland-Grant Fire District, Newaygo County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ashland-Grant Fire District, Newaygo County, Michigan, as of and for the year ended March 31, 2007, which collectively comprise Ashland-Grant Fire District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Ashland-Grant Fire District, Newaygo County, Michigan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ashland-Grant Fire District, Newaygo County, Michigan, as of March 31, 2007, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Ashland-Grant Fire District has implemented a new financial reporting model, as required by provisions of GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments*, as of March 31, 2007. Management has elected not to present the Management's Discussion and Analysis portion of the financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Ashland-Grant Fire District, Newaygo County, Michigan basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

 Terry Kirkpatrick, CPA, P.C.

Big Rapids, Michigan  
June 21, 2007

## *BASIC FINANCIAL STATEMENTS*

# Ashland-Grant Fire District – Newaygo County, Michigan

Government Wide Statement of Net Assets

March 31, 2007

With Comparative Amounts at March 31, 2006

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 276,664	\$ 179,892
Due from Other Governmental Units	19,267	17,655
Due from Fireman's Trust	1,000	0
Capital Assets (Net)	<u>608,218</u>	<u>633,616</u>
Total assets	<u>\$ 905,149</u>	<u>\$ 831,163</u>
<b>LIABILITIES</b>		
Payroll Taxes Payable	\$ 727	\$ 897
Fireman Deposits in Trust	<u>207</u>	<u>1,967</u>
Total liabilities	934	2,864
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	608,218	633,616
Unrestricted	<u>295,997</u>	<u>194,683</u>
Total net assets	<u>904,215</u>	<u>828,299</u>
Total liabilities and net assets	<u>\$ 905,149</u>	<u>\$ 831,163</u>

The "Notes to Financial Statements" are an integral part of these statements.

**Ashland-Grant Fire District – Newaygo County, Michigan**  
**Government Wide Statement of Activities**  
**For the Year Ended March 31, 2007**  
**With Comparative Totals for the Year Ended March 31, 2006**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	<u>Operating Grants</u>	<u>Governmental Activities</u> <u>Net (Expense) Revenue and Changes in Net Assets</u>	<u>2006 Totals</u>
<b>PRIMARY GOVERNMENT</b>						
Public Safety	\$ 97,299	\$ 36,868	\$ 0	\$ 0	\$ (60,431)	\$ (54,882)
Depreciation (unallocated)	34,323	0	0	0	(34,323)	(34,025)
Total primary government	\$ 131,622	\$ 36,868	\$ 0	0	(94,754)	(88,907)
<b>General Revenues</b>						
Contributions from Local Units					145,672	132,896
Interest Earnings					4,967	719
Other Revenue					20,031	2,213
Total general revenues					170,670	135,828
Change in Net Assets					75,916	46,921
Net assets - Beginning of year					828,299	781,378
Net assets - End of year					\$ 904,215	\$ 828,299

The "Notes to Financial Statements" are an integral part of these statements.

*GOVERNMENTAL FUND FINANCIAL STATEMENTS*



**Ashland-Grant Fire District – Newaygo County, Michigan**  
Governmental Fund Balance Sheet  
March 31, 2007  
With Comparative Totals at March 31, 2006

	General Fund	Fire Equipment Funds	Total Governmental Funds	2006 Totals
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 69,174	\$ 207,490	\$ 276,664	\$ 179,892
Due from Other Governmental Units	9,632	9,635	19,267	17,655
Advance to General Fund	0	39,092	38,092	51,092
Due from Fireman's Trust	1,000	0	1,000	0
Total assets	\$ 79,806	\$ 255,217	\$ 335,023	\$ 248,639
<b>LIABILITIES AND FUND EQUITY</b>				
Payroll Taxes Payable	727	0	727	897
Fireman Deposits in Trust	207	0	207	1,967
Advance from Fire Equipment Fund	38,092	0	38,092	51,092
Fund Balance - Unreserved and Undesignated	40,780	255,217	295,997	194,683
Total liabilities and fund equity	\$ 79,806	\$ 255,217	\$ 335,023	\$ 248,639
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets				
Total Governmental Fund Balances			\$ 295,997	\$ 194,683
Amounts reported for governmental activities in the statement of net assets are different because:				
Cost of capital assets, net of depreciation			608,218	633,616
Net assets of governmental activities			\$ 904,215	\$ 828,299

The "Notes to Financial Statements" are an integral part of these statements.

**Ashland-Grant Fire District – Newaygo County, Michigan**  
**Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended March 31, 2007**  
**With Comparative Totals for the Year Ended March 31, 2006**

	General Fund	Fire Equipment Fund	Total Governmental Funds	2006 Total
<b>REVENUES</b>				
Contributions from Local Units	\$ 72,836	\$ 72,836	\$ 145,672	\$ 132,896
Charges for Services	36,868	0	36,868	39,289
Interest and Rents	231	4,736	4,967	719
Other Revenue	10,543	9,488	20,031	2,213
Transfer from General Fund	0	1,404	1,404	2,400
Total revenues	120,478	88,464	208,942	177,517
<b>EXPENDITURES</b>				
Public Safety	106,224	0	106,224	94,171
Principal on Land Contract	0	0	0	59,995
Transfer to Fire Equipment Fund	1,404	0	1,404	2,400
Total expenditures	107,628	0	107,628	156,566
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	12,850	88,464	101,314	20,951
<b>Fund Balance - April 1,</b>	27,930	166,753	194,683	173,732
<b>Fund Balance - March 31,</b>	40,780	255,217	295,997	194,683

The "Notes to Financial Statements" are an integral part of these statements.

# Ashland-Grant Fire District – Newaygo County, Michigan

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended March 31, 2007

With Comparative Amounts for the Year Ended March 31, 2006

---

	<u>2007</u>	<u>2006</u>
Net Change in Fund Balances - Total Government Funds	\$ 101,314	\$ 20,951
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation. This is capital outlay for the year.	8,925	0
Land contract principal payments are not reported as an expenditure on the statement of activities	0	59,995
Depreciation expense	(34,323)	(34,025)
Change in Net Assets of Governmental Activities	<u>\$ 75,916</u>	<u>\$ 46,921</u>

The "Notes to Financial Statements" are an integral part of these statements.

*NOTES TO FINANCIAL STATEMENTS*

## Ashland-Grant Fire District – Newaygo County, Michigan

Notes to Financial Statements

For the Year Ended March 31, 2007

---

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Ashland-Grant Fire District conform to accounting policies generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Ashland-Grant Fire District:

#### Reporting Entity

Originally, the Ashland-Grant Fire District was established between the Newaygo County Townships of Grant and Ashland, and the City of Grant on January 1, 1974 pursuant to 1951 Public Act No. 33, as amended. This agreement was terminated and replaced by a new agreement July 1, 1996. The furnishing and administration of the joint fire protection is under the supervision and direction of a Joint Fire Administrative Board comprising seven members, composed of two members appointed by the Township Board of each of the two Townships, two members appointed by the City Commission of the City of Grant, and the seventh member appointed by the remaining six so-appointed members.

#### Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

**District-Wide Statements** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Fund Based Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## Ashland-Grant Fire District – Newaygo County, Michigan

Notes to Financial Statements - Continued  
For the Year Ended March 31, 2007

---

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted-for in another fund.

The Fire Equipment Fund is used to record expenditures for major fire equipment.

### Assets, Liabilities and Net Assets or Equity

**Deposits and Investments** – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

**Receivables and Payables** – In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds".

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. The Fire District does not have the authority to levy a property tax.

**Capital Assets** – Capital assets, which include property, plant and equipment assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Building	40 years
Building Improvements	15 to 30 years
Equipment	5 to 10 years
Fire Vehicles	20 years

**Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**Budgetary Information** – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental units. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, activity and line items. The legal level of budgetary control adopted by the governing body is the activity level. State law requires the Fire District have its budget in place by April 1<sup>st</sup>. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits a Fire District to amend its budgets during the year.

### NOTE C – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations, which have an office in Michigan. The Fire District is allowed to invest in bonds, securities and other direct obligations of the United States

## Ashland-Grant Fire District – Newaygo County, Michigan

Notes to Financial Statements - Continued  
For the Year Ended March 31, 2007

---

or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Fire District has designated one bank for the deposit of Fire District Funds. The investment policy adopted by the Fire District Board in accordance with Public Act 196 of 1997 has authorized investment in bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

The Fire District's deposits and investment policy are in accordance with statutory authority.

At year-end, the Fire District's deposits and investments were reported in the basic financial statements in the following categories:

### Governmental Activities

Cash and cash equivalents \$ 276,664

The bank balance of the primary government's deposits is \$276,683, of which \$200,000 is covered by federal depository insurance.

## NOTE D – RECEIVABLES

Receivables as of year-end for the government's individual major and non-major funds are as follows:

	General	Fire Equipment	Total
Due from Other Governmental Units	\$ 9,632	\$ 9,635	\$ 19,267

## NOTE E – CAPITAL ASSETS

Capital asset activity of the governmental activities for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 126,330	\$ 0	\$ 0	\$ 126,330
Capital assets being depreciated				
Buildings	221,324	0	0	221,324
Equipment	30,690	8,925	0	39,615
Fire vehicles	888,505	0	0	888,505
Less: accumulated depreciation for Capital assets	(633,233)	(34,323)	0	(667,556)
Net capital assets	\$ 633,616	\$ (25,398)	\$ 0	\$ (608,218)

Depreciation expense was not charged to activities as the Fire District considers its assets to impact multiple activities and allocation is not practical.

## Ashland-Grant Fire District – Newaygo County, Michigan

Notes to Financial Statements - Continued  
For the Year Ended March 31, 2007

---

### **NOTE F – RISK MANAGEMENT**

The Fire District is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The Fire District has purchased workers' compensation insurance for such claims. Settled claims relating to the workers' compensation insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.



*REQUIRED SUPPLEMENTAL INFORMATION*

# Ashland-Grant Fire District – Newaygo County, Michigan

## Budgetary Comparison Schedule

### General Fund

For the Year Ended March 31, 2007

With Comparative Actual Amounts for March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	2006 Actual
BEGINNING OF YEAR FUND BALANCE	\$ 27,930	\$ 27,930	\$ 27,930	\$ 0	\$ 76,951
Resources (inflows)					
Contributions from Local Units	77,500	77,500	72,836	(4,664)	65,834
Charges for Services	39,250	39,250	36,868	(2,382)	39,289
Interest and Rents	400	400	231	(169)	264
Other Revenue	1,000	1,000	10,543	9,543	2,158
Amounts Available for Appropriation	146,080	146,080	148,408	2,328	184,496
Charges to Appropriations (outflows)					
Public Safety					
Fire Department					
Salaries and wages	34,338	34,338	33,322	1,016	32,958
Social security and medicare	6,000	6,000	2,549	3,451	2,521
Supplies	7,000	7,000	5,844	1,156	5,603
Gas and oil	5,000	5,000	3,662	1,338	3,287
Contracted services	5,100	5,100	2,360	2,740	3,052
Repair and maintenance	23,000	23,000	14,681	8,319	14,006
Insurance	23,000	23,000	21,769	1,231	21,165
Utilities	9,350	9,350	7,547	1,803	7,195
Miscellaneous	3,000	3,000	3,608	(608)	3,490
Capital outlay	0	0	8,925	(8,925)	0
Education/training	1,000	1,000	1,957	(957)	0
Interest expense	0	0	0	0	894
Contingency	5,000	5,000	0	5,000	0
Land contract principal paid	0	0	0	0	59,995
Transfer to Fire Equipment Fund	12,000	12,000	1,404	10,596	2,400
Total Charges to Appropriations	133,788	133,788	107,628	26,160	156,566
Budgetary Fund Balance - March 31,	\$ 12,292	\$ 12,292	\$ 40,780	\$ 28,488	\$ 27,930

Ashland-Grant Fire District – Newaygo County, Michigan  
 Budgetary Comparison Schedule  
 Fire Equipment Fund  
 For the Year Ended March 31, 2007  
 With Comparative Actual Amounts for the Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	2006 Actual
BEGINNING OF YEAR FUND BALANCE	\$ 166,753	\$ 166,753	\$ 166,753	\$ 0	\$ 96,781
Resources (inflows)					
Contributions from Local Units	67,500	67,500	72,836	5,336	67,062
Interest and Rents	0	0	4,736	4,736	455
Other Revenue	2,000	2,000	9,488	7,488	55
Transfer from General Fund	12,000	12,000	1,404	(10,596)	2,400
Amounts Available for Appropriation	248,253	248,253	255,217	6,964	166,753
Charges to Appropriations (outflows)					
Public Safety					
Fire Department	0	0	0	0	0
BUDGETARY FUND BALANCE - March 31,	\$ 248,253	\$ 248,253	\$ 255,217	\$ 6,964	\$ 166,753

**TERRY KIRKPATRICK, CPA, P.C.**  
CERTIFIED PUBLIC ACCOUNTANT

211 MAPLE STREET  
P O BOX 817  
BIG RAPIDS, MICHIGAN 49307-0817  
(231) 796-3332  
FAX (231) 796-5554

June 21, 2007

Members of the Ashland-Grant Fire District Board  
Ashland-Grant Fire District  
Newaygo County, MI

We recently completed our audit of the general-purpose financial statements of Ashland-Grant Fire District for the year ended March 31, 2007. During our audit, we had an opportunity to test internal controls and to observe the accounting and financial procedures and many of the general management practices of the Ashland-Grant Fire District. Based upon these tests and observations, there are several matters that we specifically want to call to your attention.

**CLERK AND TREASURER DOING A GOOD JOB**

The Clerk and Treasurer of the Fire District have done a commendable job of maintaining the financial records of the Ashland-Grant Fire District once again this year. Keep up the good work.

**OTHER MATTERS**

We have enjoyed working with your staff. Their competence and assistance were instrumental in our timely completion of the audit.

We have provided two copies of the audit report, the auditing procedures report, and this letter to the Michigan Department of Treasury, Local Audit Division.

If you have any questions regarding this letter or the audit, please do not hesitate to contact us.

*Terry Kirkpatrick, CPA, P.C.*